

LEGISLATURE OF NEBRASKA  
NINETY-SIXTH LEGISLATURE  
SECOND SESSION  
**LEGISLATIVE BILL 901**

Introduced by Natural Resources Committee:  
Schrock, 38, Chairperson; Hudkins, 21; Jones, 43;  
Kremer, 34; Preister, 5; Stuhr, 24

Read first time January 5, 2000

Committee: Natural Resources

A BILL

1 FOR AN ACT relating to Nebraska Power Review Board; to amend  
2 sections 70-1001, 70-1003, and 70-1023, Reissue Revised  
3 Statutes of Nebraska; to provide intent; to define terms;  
4 to provide powers and duties; and to repeal the original  
5 sections.  
6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 70-1001, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           70-1001. In order to provide the citizens of the state  
4 with adequate electric service at as low overall cost as possible,  
5 consistent with sound business practices, it is the policy of this  
6 state to avoid and eliminate conflict and competition between  
7 public power districts, public power and irrigation districts,  
8 individual municipalities, registered groups of municipalities,  
9 electric membership associations, and cooperatives in furnishing  
10 electric energy to retail and wholesale customers, to avoid and  
11 eliminate the duplication of facilities and resources which result  
12 therefrom, and to facilitate the settlement of rate disputes  
13 between suppliers of electricity.

14           It is also the policy of the state to prepare for an  
15 evolving retail electricity market if certain conditions are met  
16 which indicate that retail competition is in the best interests of  
17 the citizens of the state. The determination on the timing and  
18 form of competitive markets is a matter properly left to the states  
19 as each state must evaluate the costs and benefits of a competitive  
20 retail market based on its own unique conditions. Consequently  
21 there is a need for the State of Nebraska to monitor whether the  
22 conditions necessary for its citizens to benefit from retail  
23 competition exist.

24           Sec. 2. Section 70-1023, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

26           ~~70-1023.~~ For the purposes of sections ~~70-1023~~ 70-1001 to  
27 70-1027, unless the context otherwise requires:

28           (1) Board ~~shall mean~~ means the Nebraska Power Review

1 Board;

2 (2) Electric suppliers or suppliers of electricity means  
3 ~~shall mean~~ any legal entity supplying, producing, or distributing  
4 electricity within the state for sale at wholesale or retail;

5 (3) Regional transmission organization means an entity  
6 independent from those entities generating or marketing electricity  
7 at wholesale or retail, which has operational control over the  
8 electric transmission lines in a designated geographic area in  
9 order to reduce constraints in the flow of electricity and ensure  
10 that all power suppliers have open access to transmission lines for  
11 the transmission of electricity;

12 (4) Representative organization ~~shall mean~~ means an  
13 organization designated by the board and organized for the purpose  
14 of providing joint planning and encouraging maximum cooperation and  
15 coordination among electric suppliers. Such organization shall  
16 represent electric suppliers owning a combined electric generation  
17 plant capacity of at least ninety percent of the total electric  
18 generation plant capacity constructed and in operation within the  
19 state; ~~and~~

20 ~~(4)~~ (5) State ~~shall mean~~ means the State of Nebraska; ~~and~~

21 (6) Unbundled retail rates means the separation of  
22 utility bills into the individual price components for which an  
23 electric supplier charges its retail customers, including, but not  
24 limited to, the separate charges for the generation, transmission,  
25 and distribution of electricity.

26 Sec. 3. Section 70-1003, Reissue Revised Statutes of  
27 Nebraska, is amended to read:

28 70-1003. (1) There is hereby established an independent

1 board to be known as the Nebraska Power Review Board to consist of  
2 five members, one of whom shall be an engineer, one an attorney,  
3 one an accountant, and two laypersons. No person who is or who has  
4 within four years preceding his or her appointment been either a  
5 director, officer, or employee of any electric utility or an  
6 elective state officer shall be eligible for membership on the  
7 board. Members of the board shall be appointed by the Governor  
8 subject to the approval of the Legislature. Members of the board  
9 first appointed shall be appointed within thirty days of May 16,  
10 1963. Of the members initially appointed, two shall serve until  
11 January 1, 1965, two until January 1, 1966, and one until January  
12 1, 1967. Upon expiration of such terms, the successors shall be  
13 appointed for terms of four years. No member of the board shall  
14 serve more than two consecutive terms. Any vacancy on the board  
15 arising other than from the expiration of a term shall be filled by  
16 appointment for the unexpired portion of the term, and any person  
17 appointed to fill a vacancy on the board shall be eligible for  
18 reappointment for two more consecutive terms. No more than three  
19 members of the board shall be registered members of that political  
20 party represented by the Governor. Each member of the board shall  
21 receive sixty dollars per day for each day actually and necessarily  
22 engaged in the performance of his or her duties, but not to exceed  
23 six thousand dollars in any one year, and shall be reimbursed for  
24 his or her actual and necessary expenses while so engaged as  
25 provided in sections 81-1174 to 81-1177. ~~for state employees.~~ The  
26 board shall have jurisdiction as provided in Chapter 70, article  
27 10.

28 (2) The board shall meet promptly after its members have

1 been appointed. They shall elect from their members a chairperson  
2 and a vice-chairperson. Decisions of the board shall require the  
3 approval of a majority of the members of the board.

4 (3) The board shall employ an executive director and may  
5 employ such other staff necessary to carry out the duties pursuant  
6 to Chapter 70, article 10. The executive director shall serve at  
7 the pleasure of the board and shall be solely responsible to the  
8 board. The executive director shall be responsible for the  
9 administrative operations of the board and shall perform such other  
10 duties as may be delegated or assigned to him or her by the board.  
11 The board may obtain the services of experts and consultants  
12 necessary to carry out the board's duties pursuant to Chapter 70,  
13 article 10.

14 (4) The board shall publish and submit a biennial report  
15 with annual data to the Governor, with copies to be filed with the  
16 Clerk of the Legislature and with the State Energy Office. The  
17 State Energy Office shall consider the information in the Nebraska  
18 Power Review Board's report when the State Energy Office prepares  
19 its own reports pursuant to sections 81-1606 and 81-1607. The  
20 report of the board shall include:

21 (a) The assessments for the fiscal year imposed pursuant  
22 to section 70-1020;

23 (b) The gross income totals for each category of the  
24 industry and the industry total;

25 (c) The number of suppliers against whom the assessment  
26 is levied, by category and in total;

27 (d) The projected dollar costs of generation,  
28 transmission, and microwave applications, approved and denied;

1           (e) The actual dollar costs of approved applications upon  
2 completion, and a summary of an informational hearing concerning  
3 any significant divergence between the projected and actual costs;

4           (f) A description of Nebraska's current electric system  
5 and information on additions to and retirements from the system  
6 during the fiscal year, including microwave facilities;

7           (g) A statistical summary of board activities and an  
8 expenditure summary;

9           (h) A roster of power suppliers in Nebraska and the  
10 assessment each paid; and

11           (i) Appropriately detailed historical and projected  
12 electric supply and demand statistics, including information on the  
13 total generating capacity owned by Nebraska suppliers and the total  
14 peak load demand of the previous year, along with an indication of  
15 how the industry will respond to the projected situation.

16           (5) The board shall hold one or more public hearings  
17 concerning the conditions that may indicate that retail competition  
18 in the electric industry would benefit Nebraska's citizens and what  
19 steps, if any, should be taken to prepare for retail competition in  
20 Nebraska's electricity market.

21           (6) The board shall submit an annual report to the  
22 Governor with copies to be filed with the Clerk of the Legislature  
23 and the Natural Resources Committee of the Legislature. The report  
24 shall include:

25           (a) Whether or not a viable regional transmission  
26 organization and adequate transmission exist in Nebraska or in a  
27 region which includes Nebraska;

28           (b) Whether or not a viable wholesale electricity market

1 exists in a region which includes Nebraska;

2 (c) To what extent retail rates have been unbundled in  
3 Nebraska;

4 (d) A comparison of Nebraska's wholesale electricity  
5 prices to the prices in the region; and

6 (e) Any other information the board believes to be  
7 beneficial to the Governor, the Legislature, and Nebraska's  
8 citizens when considering whether retail electric competition would  
9 be beneficial, such as, but not limited to, an update on  
10 deregulation activities in other states and an update on federal  
11 deregulation legislation.

12 (7) The board may submit periodic reports on the  
13 information set out in subsection (6) of this section if the board  
14 determines that significant changes to those conditions have  
15 occurred of which the Governor and the Legislature should be  
16 apprised prior to the submission of the next annual report.

17 (8) The board is authorized to establish working groups  
18 of interested parties to assist the board in carrying out the  
19 duties set forth in subsections (5) and (6) of this section.

20 Sec. 4. Original sections 70-1001, 70-1003, and 70-1023,  
21 Reissue Revised Statutes of Nebraska, are repealed.